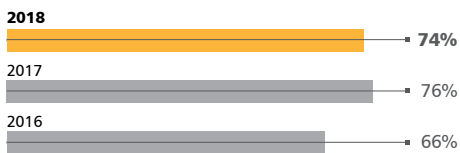


conducted for the third time. This year, the geography of the survey was expanded, and it was joined by employees from the Shared Service Centre, Trade Company EvrazHolding, EVRAZ Metall Inprom, EVRAZ North America, and Evraztekhnika. As last time, the companies of the Urals and Siberia regions of Steel segment, Coal segment, as well as EVRAZ Vanady Tula and EvrazHolding Management Company took part in the survey. In addition, this year the survey for the first time covered the issue of discrimination. We sought to obtain quantitative results to track engagement level dynamics within the Group, as well as qualitative results during work with focus groups. At the end of December a strategic session was held, where 300 top managers, including the CEO, and shop managers examined the results of the survey and discussed the engagement improvement strategy. It is important for EVRAZ to ensure that each employee is fully aware of this area, hence the survey results were also published in the corporate newspaper and in the Company's intranet. Thus we achieved full disclosure and transparency of the engagement survey results. In 2018, 43,285 employees took part in the survey, with the bulk of respondents having worked at EVRAZ for more than 10 years. The employee engagement survey response rate in 2018 was 75%, which was 1% lower than in 2017.

DYNAMICS OF EMPLOYEE ENGAGEMENT SURVEY RESPONSE RATE, 2016–2018, %



At the beginning of 2019 we plan to work with focus groups and hold Town Halls (meetings

Case study



THE POWER OF GENERATIONS

In 2018 a joint project between EVRAZ and Komsomolskaya Pravda, The Power of Generations, was launched: <https://www.kp.ru/best/msk/sila-pokolenij/>

The project consists of six success stories featuring experienced EVRAZ mentors and talented younger employees, and showcases the growing skills and career paths of Evraz people, who also work at the Group's key assets: EVRAZ Kachkanarsky GOK, EVRAZ NTMK, Rapsadskaya, and EVRAZ ZSMK. The project underscores the importance of blue-collar professions and seeks to boost their popularity among young people.

of the Vice President and top-managers with employees), where HR department employees will discuss the results of the survey as well as problems identified. Then in the workshops meetings will be held, where each shop manager brings his employees together and they elaborate solutions to boost the engagement level. This communication process repeats every year. In the engagement survey many volunteers are involved. Moreover, there is a cross-functional working group, which comprises trade unions, production employees, and representatives of all target audiences. At the end of 2019 EVRAZ will conduct the survey again in order to evaluate the effectiveness of the measures taken.

One of the key area of working with employees is improving EVRAZ corporate culture. The corporate culture forms an integral element of the Group's success, and inspires employees to fulfil respective goals and objectives. The EVRAZ corporate culture includes advanced communication channels with employees (corporate portal, newspaper, hotline), meetings between employees and management on various issues, and related events.

The Group pays special attention to the creation and preservation of our history, therefore EVRAZ decided to launch a project to popularise the success stories of EVRAZ employees.

LEARNING AND DEVELOPMENT

In order to develop the potential of employees, it is necessary to implement and maintain various staff training and development programmes. In this regard, EVRAZ works in parallel on developing employees, management, mentorship programmes, and interaction with external bodies.

For more information, see pages 84-85 of the Annual report.

In 2018 the average number of training hours per year per employee decreased by almost 11% compared to 2017.

In 2018 EVRAZ continued with the From Foreman to Managing Director programme, whose participants are foremen with an average

KEY LEARNING AND DEVELOPMENT AREAS IN EVRAZ, 2018, (number of employees)

Developing employees

- WorldSkills championship (142)
- Health and Safety learning (all employees)

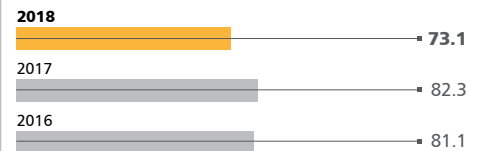
Developing management

- Top-300 programme (104)
- From Foreman to Managing Director programme (448)

Partnership programmes

- New EVRAZ Leaders programme (64)

AVERAGE NUMBER OF TRAINING HOURS PER YEAR PER EMPLOYEE, 2016–2018¹



¹ The figure comprises data on EVRAZ ZSMK (incl. Evrazruda), EVRAZ NTMK, EVRAZ KGOK, Rapsadskaya Coal Company, EVRAZ Vanady Tula.

age of 40. There are around 4,000 foremen in the Group: first-line managers who interact directly with workers. 98% are appointed from within, hence these are employees that are occupying managerial positions for the first time. The programme serves to help develop managerial skills and competencies, and provides opportunities for managerial growth and development.

Mentorship has always existed in the Group: the production experience exchanges within employees' generations. In EVRAZ a mentor is considered to be a second profession, and a special approach to mentoring is adopted. In December 2018 the first Mentorship Forum was held at EVRAZ ZSMK, and the new project "Mentorship. Reloaded" began at West-Siberian CHP. New approaches to mentorship will be implemented in 2019, and mentorship programmes will continue in all subdivisions of EVRAZ ZSMK, EVRAZ NTMK, and Raspadskaya Coal Company.

In 2018 the Group implemented the Top-300 programme, in which production facility managers participate. Top-300 is a platform for facilitating interaction among managers and between people that are critical within the production chain. EVRAZ CEO Alexander Frolov and Vice Presidents were the first staff to undergo the training. As a result, the CEO and the Group's top managers have become curators for the first 103 programme participants.

EVRAZ not only organises internal training programmes, but also actively interacts with external bodies. This year the Group continued work with the Skolkovo Business School on the New EVRAZ Leaders programme. In 2018 a large selection process was held, and each selected employee was given a promotion opportunity. In 2019 we plan to work with projects sponsored by corporate directors, and the project goal will be the development of soft skills.

Case study

MENTORSHIP

In 2018 the regional competition On the Mentoring Path was held. According to the voting results of jury members, which were presented by employees of Kuzbass industrial companies, teachers of Kemerovo State University and Kuzbass Technical University, EVRAZ ZSMK won. The HR Directorate of the Siberia region of Steel segment and West-Siberian CHP employees presented a mentorship project at the competition. According to Alexei Sovetov, Deputy Chief Engineer for Operational Work at the West-Siberian CHP, a mentor "provides

a newcomer with a feeling of safety and encourages their development, shares knowledge and experience, instils the values and traditions of the company, and helps the newcomer be involved in corporate events and feel as though they are a valued part of the team." All these actions together combine to enhance the development of professionalism and help EVRAZ function more efficiently and harmoniously. There are 2,700 mentors currently working at EVRAZ ZSMK and their number is growing.

Case study

TOP-300



In October a new corporate training programme Top-300 was launched. Its participants are production facility managers from all Group segments. The motivation behind creating a programme was the need to support transformations taking place within the Group. Heads of departments are involved in implementing EVRAZ Business System Transformation (EBS-T) projects as well as other improvements; these work with people and search for development opportunities. The first module, which took place in October, discussed the changes that occur in the Group and the goals that it sets. From 19 November

to 21 November, as part of the second module, a meeting took place in Moscow that included production facility managers and the directors of mines from all EVRAZ segments. The main topics were people – their development, professionalism, and motivation. At the meeting, the standard practices of a leader and the procedures that they should follow when working with people were discussed:

- Providing feedback
- Discussing development issues
- Discussing and explaining goals
- Delegating authority

For four consecutive years EVRAZ has been participating in the WorldSkills programme, and is particularly interested in the hi-tech aspect of the programme. In 2018 a Junior section was included, presented by the children of staff and sponsored by educational institutions. All educational centres and training grounds were equipped according to hi-tech international standards.

EVRAZ continues to pay attention to Health and Safety learning. In 2018 all theoretical training was transferred to an online format, while practical training was based on the case study method. Over 30% of the programme features case studies. The focus shifted from tracking the implementation of technological regulations to an analysis of people's behaviour.

For more information, see pages 40-45 of the Health & Safety section.

Case study



EVRAZ NEW LEADERS PROGRAMME

EVRAZ New Leaders is the most popular corporate training and development programme. It was launched in 2009 and continues today. Employees with leadership experience that have been working in EVRAZ for over two years as a senior master can take part. EVRAZ implements the programme in partnership with the Skolkovo Business School. Over the 10 years of the programme's existence, 58 projects have been developed, and there have been 375 graduates. At the same time, 65% of programme graduates receive positions in the first two years after training, while 10% receive positions while still doing the programme.

Case study



WORLDSKILLS

From 21 to 25 May 2018, the III WorldSkills corporate championship was held in EVRAZ. This has morphed into one of the largest professional competitions in Russia. The championship was attended by 100 people, including employees of seven EVRAZ companies, and students and schoolchildren. 92 experts assessed the technical skills of participants in nine competencies. For comparison, in the first championship in 2016 only 25 EVRAZ ZSMK and EVRAZ NTMK employees took part. During the week the EVRAZ training and production centre held competitions to implement various tasks, and hundreds of participants had an opportunity to attend an exhibition of robots and participate in various technical masterclasses.